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U. S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.

Alkali and Drought
Resistant Plant
Investigations

November 3, 1920.

EGYPTIAN COTTON NEWS LETTER
(Not for publication)

The information contained in this news letter is drawn mainly from newspapers and trade journals, the published source of the information being given in every case. The object of the letter is to furnish information to officials and cooperators of the Department of Agriculture in regard to the condition of the market for long staple cotton. The Department assumes no responsibility for the accuracy and reliability of these quoted statements, and under no circumstances should they be republished as having been issued by the Department of Agriculture.

The New Bedford Sunday Standard of October 31 contains the following statement relative to extra staple cotton:

"The prices for extra staple cotton strengthened during the past week from a cent to two cents a pound despite the absence of any considerable demand, and in the face of one of the lightest weeks, so far as actual sales are concerned, that has been seen for many a month. Both brokers and manufacturers here were at a loss to account for the apparently paradoxical situation, though the latter as a matter of fact have been more pleased than otherwise to see the reaction, as they believe that prices had already gone below the cost of production, and think that a more normal level will tend to encourage a renewal of demand for cloth and yarn. From some sources comes the explanation that the upward swing is due partly to the holding movement that has been started in the South, but still more to the fact that there was a fairly good quantity of prompt shipment business done a week ago when the market broke to its extreme low level of the year. Much of this business was done at very low prices, the shippers apparently believing that the decline would go further than it

Statement relative to extra staple cotton continued:

really did. These shippers, it is said, have been scrambling to cover their short sales ever since the market turned upward again, and have taken some losses promptly in order to avoid heavier ones if the rise should continue. This buying on the part of shippers, it is said, has created more activity in Southern centers than is warranted by the demand found in Northern manufacturing centers, and the condition may result in another slump in prices in a week or so, as soon as the short interests are covered.

* * *

"The market for Egyptians was absolutely flat here. Not only are the mills buying none, but some of them are offering to sell some of the Sakellaridis cotton they bought months ago against tire yarn contracts that have since been cancelled or indefinitely postponed. Fairly good medium grade Sak such as is commonly used in tire yarn, can be bought on the spot in New England for 55 to 62 cents, but these levels have failed as yet to stir any interest. Medium to high grade Sak for shipment from Alexandria is quoted at 52 to 62 cents, while medium grade uppers for shipment could be had at 37 to 40 cents. * * *

"Sea Islands are unquotable for the reason that there is practically no interest in them, not enough for brokers to keep their price ideas up to date. Pima, it is understood, can be secured at 55 to 58 cents for No. 2 grade inch and five eighths staple, but there has been no interest in it so far displayed by the local manufacturers.

"Prices on extra staple, strict middling, white in grade and color and classed as to staple on a very high standard of stapling, are given as follows, being determined rather from brokers quotations more than from actual sales, as there have been so few of the latter:-

Inch and an eighth, 29 to 30 cents.

Inch and three sixteenths, 31 to 33 cents.

Inch and a quarter, 34 to 36 cents.

Inch and five sixteenths, 37 to 40 cents."

Visible Supply of Cotton

(from New York Journal of Commerce, Nov. 1 1920)

Stock in Alexandria, Egypt, October 29, was as follows:

<u>1920</u>	<u>1919</u>	<u>1918</u>
125,000 bales	166,000 bales	216,000 bales

Prices of Good Sakel, Egyptian, Liverpool, October 29, were as follows:

<u>1920</u> (pence)	<u>1919</u> (pence)	<u>1918</u> (pence)
45.00 ¹	37.50	33.13

¹ This corresponds to a price at Liverpool of 65 cents, demand sterling having closed at \$3.46 at New York on October 29, 1920. The "good" grade of Sakel corresponds to Number 3 or choice Pima.

Quotations for Middling Upland cotton on the Savannah Market for the week ending Friday, October 29

21.00 to
22.50

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WASHINGTON, D. C.

Alkali and Drought
Resistant Plant
Investigations

November 10, 1920.

EGYPTIAN COTTON NEWS LETTER
(Not for publication)

The New Bedford Sunday Standard of November 7 contains the following statement relative to extra staple cotton:

"There has been no noticeable effect of the outcome of the national election on the extra staple cotton markets as yet, and demand during the past week has been virtually at a standstill. Many of the mills were closed down for the greater part of the week, while even in the case of the two establishments which have continued full time operation so far, it was reported that some of the help was being laid off.

"The extra staple market was practically deadlocked, the mills being uninterested in cotton offerings, regardless of price, while the South, on the other hand, realizing the total absence of demand, has not been pressing for business as much as it was a week or two ago, brokers reporting but very few unsolicited offers. Prices have been very nearly stationary, so far as nominal figures go, while there have been so few firm bids made that it was impossible to say whether or not nominal figures could be shaded materially.

* * *

"The mill stocks of cotton are very low indeed, and in fact some treasurers find it necessary to pick up small lots of spots in order to keep their wheels turning. This accounts for some of the small spot sales reported in certain quarters this week, though the prices were said to be very close, hardly higher than quotations for prompt shipment.

* * *

"There was practically no demand for Pima cotton hereabouts, local offerings No. 2 grade inch and five eighths staple ranging from 58 to 62 cents. There were rumors of sales of considerable size to Liverpool on a basis of 50 cents for cotton ranging from No. 2 to No. 4 grade.

Statement relative to extra staple cotton continued:

and cotton of No. 2 and No. 3 grades could probably be obtained practically on that basis on a firm bid.

"Sea Islands have been dead and so have Peruvians, interest being so little that brokers have not bothered to get price quotations. Egyptians too are very dull. Some of the mills are offering to sell spot Sak but there appears to be no market for it at present. Prices based on shipments out of Alexandria range from 39 to 40 cents for medium grade uppers such as are commonly used in tire yarns, and from 58 to 66 cents on medium to high grade Sak. * *

"Consensus of opinion in brokerage circles here leans to the belief that little real improvement in business can be looked for this side of the first of the year, though a few are expecting buying to start before the end of the present month, though not in any very considerable volume."

* * *

Visible Supply of Cotton

(from New York Journal of Commerce, Nov. 8, 1920)

Stock in Alexandria, Egypt, November 5, was as follows:

<u>1920</u>	<u>1919</u>	<u>1918</u>
127,000 bales	188,000 bales	224,000 bales

Prices of Good Sakel, Egyptian, Liverpool, November 5, were as follows:

<u>1920</u>	<u>1919</u>	<u>1918</u>
(pence) ₁	(pence)	(pence)
45.00	39.50	33.13

¹ This corresponds to a price at Liverpool of 64 cents, demand sterling having closed at \$3.41 at New York on November 5, 1920. The "good" grade of Sakel corresponds to Number 3 or choice Pima.

Annual Imports of Egyptian Cotton into the United States
 (Calculated as 500 pound bales)¹

<u>Year</u>	<u>Bales</u>	:	<u>Year</u>	<u>Bales</u>
1912-13	191,075	:	1916-17	198,805
1913-14	137,355	:	1917-18	114,580
1914-15	261,220	:	1918-19	100,006
1915-16	339,854	:	1919-20	485,003

¹ Data taken from reports of the Bureau of the Census

The Textile World Journal of October 23, page 73, contains the following item:

EGYPTIAN SHIPMENTS

Cotton Figures for Season 1919-1920 are
 Published

"Manchester, England, Oct. 5 - Particulars have just been published of the shipments of Egyptian cotton from Alexandria to the several countries of the world during the season ending August 31, 1920. * * *

"The total shipments during the twelve months amounted to 737,857 bales, and of this total England took 345,461 bales, the United States 257,265 bales, France 50,089 bales, Italy 35,181 bales, India and Japan 14,355 bales, Switzerland 12,264 bales, Spain and Portugal 9,500 bales and Germany 6,333 bales."

Quotations for Middling Upland cotton on the Savannah Market for the week ending Friday, November 5
 20.30 to
 22.00

U. S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.

Alkali and Drought
Resistant Plant
Investigations

November 16, 1920.

EGYPTIAN COTTON NEWS LETTER
(Not for publication)

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The New Bedford Sunday Standard of November 14 contains the following statement relative to extra staple cotton:

"Business in the extra staple cotton markets has been as near a complete standstill as it ever reached. Brokers of long experience state unhesitatingly that they have never before seen demand as flat as it is to-day.

"'I have always contended,' said one broker, 'that business in the cotton markets was only a matter of price, and that it was always possible to sell cotton if it was offered cheap enough. I don't believe that condition holds to-day, however. Price seems to have no weight whatever with the mill men, and I do not believe you could sell any considerable volume of cotton if you offered full quarters, strict middling, at twenty cents.'

"The South apparently realizes the situation and is not wasting money and effort on telegrams offering cotton when they know there is no demand. Shippers almost invariably are anxious to sell but can not see any chance of getting business even at a price that would mean a dead loss to

themselves. For that reason brokers are receiving very few offers.

* * *

"There is little interest here in Egyptians, although the price, particularly on Uppers, has dropped to approximately a parity with American three sixteenths. Medium grade uppers such as are used in the manufacture of tire yarns are offered in the neighborhood of 33 cents, but for medium grade Sak of the same relative grade, the asking figures range between 55 and 60 cents. Some of the mills have on hand considerable quantities of Sak which they bought to cover tire yarn orders that have since been either canceled or postponed. While there is a desire on the part of some of them to liquidate this cotton, it was bought on such a high price basis that very few of them are willing to accept the loss and offer the cotton at a price which will move it.

"Pima cotton is offered both on the spot from some of the mills and for shipment from the West, the price basis being somewhere in the neighborhood of 50 to 55 cents for No. 1 and No. 2 grades. There is no buying interest, however, and it is therefore impossible to find out how low such cotton could be bought. Sea Islands are inactive and so are Peruvians.

"The outlook for a revival of business is not very encouraging, some of the mill men predicting a continuation of present conditions for as much as four or five months. That few believe a resumption of business is likely prior to the first of the year is evidenced by the cutting down of the working force in some of the brokerage offices. ***"

* * *

Quotations for Middling Upland cotton on the Savannah Market for the week ending Friday, November 12

19.25 to
20.00

Visible Supply of Cotton

(from New York Journal of Commerce, Nov. 15, 1920)

Stock in Alexandria, Egypt, November 12, was as follows:

<u>1920</u>	<u>1919</u>	<u>1918</u>
144,000 bales	186,000 bales	255,000 bales

Prices of Good Sakel, Egyptian, Liverpool, November 12, were as follows:

<u>1920</u> (pence)	<u>1919</u> (pence)	<u>1918</u> (pence)
42.00 ¹	42.00	31.05

1

This corresponds to a price at Liverpool of 59 cents, demand sterling having closed at \$3.37 at New York on November 12, 1920. The "good" grade of Sakel corresponds to Number 3 or choice Pima.

U. S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.

Albali and Drought
Resistant Plant
Investigations

November 23, 1920.

EGYPTIAN COTTON NEWS LETTER
(Not for publication)

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The New Bedford Sunday Standard of November 21 contains the following statement relative to extra staple cotton:

"If such a thing is possible, the extra staple cotton market has been even flatter during the past week than it was the week previous. Mill men, as a rule, show only casual interest in cotton prices, and evidence absolutely no tendency to buy. They are content simply to watch the market go down, though all admit that they had no idea it would go so low. Even the sporadic activity in spots has ceased, although where they are available at all, spots can be bought for very little premium over the price of future shipment.

"Prices, of course, have weakened materially and it is possible to secure distress lots of staples at almost any figure a buyer cares to offer, though only in small quantities. Shippers have made no attempt, however, to meet distressed lot prices, since they realized the futility of trying to force sales under the present con-

Statement relative to extra staple cotton continued:

ditions, simply by offering to sell at ruinous levels. Values of extra staple cottons have been marked down approximately in proportion to the drop in the future markets, though in a few cases the basis has shown a slight tendency to narrow. Providence, Fall River and Boston markets report conditions practically identical with those prevailing in this center, and furthermore, there is no disposition to really expect any marked improvement, either in those markets or in this one, much before the New Year, while some place it as far off as February.

* * *

"The Alexandria future market is fluctuating very wildly, a rise of four cents a pound on Thursday over Wednesday's level being reported, following a drop of similar proportions. Regardless of Alexandria fluctuations, however, a good style of medium grade uppers is offered here at 23 to 24 cents, while medium grade Sak ranges from 38 to 42 cents, being relatively on a much higher basis than uppers, since the full weight of the crop is not usually felt until December. There is no demand for either uppers or Sak, but the level at which the former is offered would indicate the possibility of a further recession of American staples of similar staple length. Alexandria futures, according to Friday's cables, were 48.75 for January and 30.50 for December.

"Pima cotton of No. 1 and No. 2 grade is offered here in certain quarters for fifty cents without exciting the least buying interest. Sea Island and Peruvian are practically dead issues at the present time, few brokers bothering to keep posted on prices.

"Already some of the mill men and brokers are beginning to express fears for the next cotton crop, unless the market recovers considerably between now and planting time. They realize that if the planters are unable to get enough for their cotton to cover production costs, it will be a very simple matter to bring about a tremendous cut in the acreage next spring and might eventually result in another cotton shortage. For this reason, not a few of them would really welcome some advance in cotton prices, but do not themselves care to take a chance on buying until they see some prospect of orders for goods. * * *

* * * * "

Visible Supply of Cotton

(from New York Journal of Commerce, Nov. 22, 1920)

Stock in Alexandria, Egypt, November 19, was as follows:

<u>1920</u>	<u>1919</u>	<u>1918</u>
151,000 bales	200,000 bales	291,000 bales

Prices of Good Sakel, Egyptian, Liverpool, November 19, were as follows:

<u>1920</u> (pence)	<u>1919</u> (pence)	<u>1918</u> (pence)
35.00 ¹	42.50	31.05

¹ This corresponds to a price at Liverpool of 50 cents, demand sterling having closed at \$3.46 at New York on November 19, 1920. The "good" grade of Sakel corresponds to Number 3 or choice Pima.

Egyptian Cotton Imports

The Bureau of the Census reports imports from Egypt in equivalent 500-pound bales during the three months ending October 31, 1920, together with the corresponding period (as well as for the month of October) of the preceding year as follows:

October	:	3 mos. ending Oct. 31
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1920	1919	:	1920	1919
12	11,019	:	15,380	68,167

Recent Cotton Acreages of Egypt.

(from Monthly Agricultural Statistics,
Ministry of Finance, Egypt, Aug. 31, 1920)

<u>Acres</u>	<u>1</u>	<u>1920</u>	<u>1919</u>	<u>1918</u>
Total		1,897,360	1,633,460	1,365,560
In Sakellaridis		1,318,780	1,190,010	988,675
Percentage in Sakellaridis		69%	73%	72%

¹ Given in feddans in the original. One feddan equals 1.038 acre.

U. S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.

Alkali and Drought
Resistant Plant
Investigations

November 30, 1920.

EGYPTIAN COTTON NEWS LETTER
(Not for publication)

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The New York Journal of Commerce of November 29 contains the following statement relative to extra staple cotton:

" * * *

"Egyptians are very weak. There is no demand and a firm offer could probably develop some surprising levels. Medium grade uppers for December shipment can easily be found at 23 cents and in some quarters as low as 21 cents is possible. While most houses are asking 38 to 48 cents for medium to high grade Sakellaridis, medium grades are obtainable in some places as low as 34 cents, although this figure is not being mentioned except in cases where there seems some hope of business.

"Peruvians and Sea Islands are unquotable because they are so far out of line with other prices. For American Egyptians, however, it is said here to be possible to buy No. 1 and No. 2 grades under 50 cents and to get limited quantities of No. 2 grade as low as 40 cents. Even this figure, however, for cotton that was contracted for last spring and summer at a minimum of 65 cents, is higher than Sak and far too high to excite any buying interest in this market.

Statement relative to extra staple cotton continued.

"Price quotations for extra staples strict middling in grade and classed as to staple on a high standard of stapling are given herewith, being taken from offers rather than from actual sale levels, however:

Inch and an eighth, 20 to 23 cents.

Inch and three-sixteenths, 22 to 24 cents.

Inch and a quarter, 24 to 26 cents.

Inch and five-sixteenths, 26 to 28 cents."

Visible Supply of Cotton

(from New York Journal of Commerce, Nov. 29, 1920)

Stock in Alexandria, Egypt, November 26, was as follows:

<u>1920</u>	<u>1919</u>	<u>1918</u>
174,000 bales	216,000 bales	311,000 bales

Prices of Good Sakel, Egyptian, Liverpool, November 26, were as follows:

<u>1920</u>	<u>1919</u>	<u>1918</u>
(pence) 1	(pence)	(pence)
32.00	47.00	31.05

¹ This corresponds to a price at Liverpool of 46 cents, demand sterling having closed at \$3.49 at New York on November 26, 1920. The "good" grade of Sakel corresponds to Number 3 or choice Pima.

